(a) whether the Asian Development Bank (ADB) proposes to help Bihar, Orissa, Jharkhand etc. in development of infrastructure;

(b) if so, the details thereof;

(c) whether the ADB would also help the private sector in the matters; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. ADB's Country and Strategy Program for 2008-2010 includes infrastructure projects for various State Governments, amounting to approximately US $ 3,200 million. The Program includes 5 projects for Bihar and 1 project each for the States of Orissa and Jharkhand.

(c) and (d) ADB assisted projects aim to support the overall development process and improved infrastructure would help indirectly to facilitate private sector development in the states.

Depreciation of Dollar

†3019. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that value of dollar has been in continuous depreciation particularly compared with rupee in the entire global scenario;

(b) whether it is also a fact that depreciation in the value of dollar is not coming to halt in spite of continuous increase in CRR and the purchase of dollar securities by the Reserve Bank of India; and

(c) if so, the impact of decreasing value of dollar likely to be exerted on the trade and political relations with G-8 countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The average exchange rate of the Rupee against US Dollar, on a day-to-day and month-to-month basis, has shown two-way movements during 2007-08 and 2008-09 so far.

(b) The exchange rate policy in recent years has been guided by the broad principles of careful monitoring and management of exchange rates with flexibility, without a fixed target or a pre-announced target or a band, coupled with the ability to intervene, if and when necessary. RBI closely tracks the exchange rate movements and has responded appropriately by intervention in the domestic foreign exchange markets depending upon overall market conditions.

The Cash Reserve Ratio (CRR) was increased by the RBI, in phases, from 6 per cent to 7.5 per cent during 2007-08, and is being increased in two phases by 25 basis points each w.e.f. April 26, 2008 and May 10, 2008 reaching it upto 8 per cent. Changes in CRR primarily address liquidity concerns in the domestic economy and not the external value of the rupee.

(c) Exchange rate movement is an on-going process. India's trade with other countries, including G-8 countries, depends upon various factors, such as exchange rate, relative price levels, levels of productivity and trade arrangements.

† Original notice of the question was received in Hindi.